



Irish Life Weekly Investment Bulletin

The week that was – WEEK 07 2019 (ending 15/02/2019)

“Tell me and I forget. Teach me and I remember. Involve me and I learn.” – Benjamin Franklin

Irish exports in 2018 hit the highest total on record – Preliminary figures from the Central Statistics Office for 2018 show that goods exports were valued at €140,835 million in 2018, the highest total on record. This is an increase of €18,123 million (+15%) over 2017. Imports also hit a record high of €90,175 million in 2018.

Irish residential property prices rose by 6.5% y-o-y in December – Latest figures from the CSO show that national level residential property prices increased by 6.5% year-on-year in December, with Dublin prices up by 3.8%, the Rest of Ireland by 9.6% and Mid-West region house prices showing the largest rise at 18.7%.

Global stock market up 2.2% from 8th February to 15th February – The MSCI AC World TR Index showed a 2.23% return from 8th February to 15th February boosted by hopes of a deal or at least an extension to the 90-day China / U.S. trade truce. The Vix (or Volatility index) fell slightly to 14.91 from 15.72 on 8th February.

Indiscreet UK Brexit chief negotiator gives game away – ITV journalist Angus Walker overheard UK's chief Brexit negotiator, Olly Robbins, say indiscreetly to his political colleagues in a late-night drink at the Sofitel Hotel Bar in Brussels that a long Brexit delay or a reworked deal are the most likely outcomes at this stage.

Eurozone growth in Q4 2018 maintains the same rate as Q3 – Eurostat estimated that seasonally adjusted GDP rose by 0.2% in the euro area (but just 0% in Germany) during the fourth quarter of 2018, compared to Quarter 3, also the same rate as the third quarter. GDP rose by 1.2% in the euro area in Q4 year-on-year.

Oil price up over 20% y-t-d in 2019 – Oil prices were up over 5% for the week (with the price of West Texas Intermediate Crude oil rising to \$55.58 a barrel) and over 20% year-to-date in 2019, being currently supported by OPEC and Russian supply cuts as well as the U.S. sanctions on oil exports from Venezuela and Iran.

The Story of the week: A (cheap) PR disaster? Matt Kuchar, the well known American professional golfer has finally apologised after paying David Ortiz, his temporary caddie, a derisory \$5,000 agreed in advance despite collecting \$1,296,000 for his first PGA Tour win in four-and-a-half years at the Mayakoba Golf Classic. The normal caddie reward is 10% of the player's earnings for any tournament but Kuchar said Ortiz was only filling in for his usual bagman who was unavailable. Kuchar was then widely criticised and has now agreed to pay Ortiz \$50,000.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2014	2015	2016	2017	2018	2019 YTD (to 15/02)
MSCI AC World (Gross TR)	9.9	1.8	9.7	20.4	-7.2	9.7
ISEQ Overall Return	16.8	33.6	-2.7	9.7	-20.5	8.9
FTSE 100 TR	0.7	-1.3	19.1	11.8	-8.5	7.6
Euro Stoxx 50 TR	4.0	6.4	3.7	9.2	-12.0	8.3
S&P 500 TR	13.7	1.4	12.0	21.8	-4.4	11.0
Nasdaq Composite	13.4	5.7	7.5	28.2	-3.9	12.6
Nikkei 225	7.1	9.1	0.4	19.1	-10.2	4.4
MSCI Emerging Markets	2.6	-8.0	7.1	27.8	-12.2	6.2
Eurozone Government Bonds 1–5 yr	3.4	1.0	0.9	-0.2	0.0	0.1
Sovereign 10yr Bond Yields (%)	2014	2015	2016	2017	2018	2019 YTD
U.S.	2.2	2.2	2.4	2.4	2.7	2.7
German	0.5	0.6	0.2	0.4	0.2	0.1
UK	1.9	1.9	1.2	1.2	1.3	1.2
Japan	0.3	0.2	0.0	0.0	0.0	0.0
Ireland	1.3	1.1	0.7	0.7	0.9	0.8
Italy	2.1	1.6	1.8	2.0	2.8	2.8
Greece	9.6	7.9	7.1	4.1	4.4	3.8
Portugal	2.7	2.5	3.8	1.9	1.7	1.6
Spain	1.6	1.7	1.4	1.6	1.4	1.2
Central Bank Rates (%)	2014	2015	2016	2017	2018	2019 YTD
ECB	0.05	0.05	0.0	0.0	0.0	0.0
Bank of England	0.50	0.50	0.25	0.50	0.75	0.75
U.S. Federal Reserve	0.25	0.50	0.75	1.50	2.50	2.50
Foreign Exchange Rates	2014	2015	2016	2017	2018	2019 YTD
Euro/Dollar (€/\$)	1.21	1.09	1.04	1.20	1.15	1.13
Euro/Sterling (€/£)	0.78	0.75	0.84	0.89	0.90	0.88
Sterling/Dollar (£/\$)	1.56	1.46	1.24	1.36	1.28	1.29
IPD All Property Return % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD
Ireland	12.3	36.1	25.1	12.6	8.1%	5.5% (To end of Q3)
U.K.	10.9	17.9	13.3	3.6	10.3%	3.7% (To end of Q3)
U.S.	11.6	11.5	12.5	7.7	7.1%	3.7% (To end of Q3)

*Past performance is not a reliable guide to future performance and may fall as well as rise.